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## IX. CHINESE PEOPLE'S INSURANCE COMPANY

• 4/56 The Chinese Communist People's Insurance Company was formally inaugurated on Oct. 20, 1949,[8] and simultaneously the regime undertook the elimination of privately owned and foreign-operated insurance firms. Branches were established in all important cities, and branches of the People's Bank and other banks were appointed agencies of the insurance company.

The Chinese People's Insurance Company first began business by insuring the assets of state-operated organizations, enterprises, and co-operatives as well as persons traveling by train, steamer, and airplane. Later, coverage was exteneded to include "voluntary" collective insurance against fire, bodily injury, and accident. Since early 1950 the regime has offered in rural areas insurance on livestock and on some crops. The company, in co-operation with government veterinarians, has undertaken epidemic-prevention measures to protect livestock. But this type of insurance was suspended at the beginning of 1953 because of the dissatisfaction of the peasants, generated by the rough "sales tactics" of the Communist cadres who forced peasants to insure their livestock.[9] Later,

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8. Cheng Chu-yüan, op. cit., p. 116.

9. Chen Chung Hsiang, "Keypoint Handling of Rural Livestock Insurance", Survey of China Mainland Press, Hong Kong, American Consulate General, August 23, 1955.

456 livestock insurance was revived, with the further development of producer co-operatives. However, because China's rural areas are so extensive, livestock insurance is only feasible in certain key districts. Crop insurance, for the moment, is only available for cotton.

Insurance business abroad is handled by the China Insurance Company, a subsidiary of the Bank of China. Its branches abroad are located wherever there is a Bank of China, but its operations within China have been discontinued.

## X. BANKING OPERATIONS

652 The People's Bank of China and other banking and financial institutions operate as a single body. Business operations have been expanded as government control over monetary affairs increased in both the public and the private sectors of the National economy.

The People's Bank of China began operations by issuing banknotes to provide funds for government administration and public and private enterprises, the handling of foreign exchange, and the control of private banking and financial institutions. Control was next extended to include cash funds held by and credit granted to public organizations and enterprises, and the transfer of accounts and payments on their behalf. Operations were further expanded to include the supervision of capital construction investments, the promotion of economic accounting systems in both public and

434 465 many "voluntary" contributions, to various campaigns as well as the all-but-compulsory purchase of government bonds. In 1950, the Communist government issued Victory Bonds, and North China was allocated 1,500,000 points.[28] The workers in Peking, Tientsin, and Taiyuan were pressed to buy the bonds by trade union officials and Party members.

## VI. LABOR WELFARE

### A. Labor Insurance and Health

466 743 Under the Labor Insurance Law, promulgated by the Ministry of Labor in March 1951 and revised in January 1953, there has been an increase in health facilities in factories and mines in North China. In June 1954, this area had more than 200 sanatoriums and rest homes with a total of more than 6,000 beds, and several similar institutions were under construction.[29] In 1949, Tientsin completed a workers' hospital with a staff of 82 to care for 200 patients daily. Tangshan industrial district in Hopei Province has a modern hospital with 330 beds.[30]

466 456 Old age pensions have been introduced in Communist China under the Labor Insurance Law. The aged workers of the famous T'ung-jen

28. Worker's Daily, Oct. 1952, p. 2; People's China, May 1, 1953, p. 15.

29. People's China, June 1954, p. 39.

30. Worker's Daily, Dec. 2, 1949, p. 4; Tsu-kuo Tsai Ch'ien-chin [China Forges Ahead], Vol. II, Peking San-lien shu-tien, p. 296.

456 t'ang Chinese drug store in Peking have received pensions under this law. The Communists assert 466 that one railway worker in Tientsin after 50 years of service receives 70 per cent of his former monthly wage as an old age pension.[31]

466 The Communists assert that under their regime housing conditions have improved throughout China. The regime claims to have spent more than 286 million yuan (new currency, about US$ 114.4 million) on housing in 1952 and to have allocated funds to construct some 130 million square feet of housing in 1953. In spite of these efforts, housing problems in Communist China have not been resolved. The People's Daily reported on November 25, 1954 that in Shih-ching-shan industrial district in the suburbs of Peking, about 80 per cent of the workers had to rent their living quarters from private owners, many of whom asked for large deposits and charged high rents. In a Shansi mining district, one worker with five children was unable to pay rent. He moved into one of the empty mining shacks, but was evicted and died of malnutrition.[32]

The Communists have paid some attention to the nutrition problem of the workers. A Tientsin Daily reporter paid a visit to the local textile machinery works in May 1955. He reported that in the factory canteen, the workers were

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31. Worker's Daily, oct. 1952, p. 2; People's China, May 1, 1953, p. 15.

32. China Weekly, May 2, 1955, pp. 16-18.

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466 free. If the worker dies either on his way home or at home, $20 is given to his family. In the case of the death of a member of the worker's family, a coffin may also be given free if the request is found justified.

466 456 Mutual Aid Society.—The Mutual Aid Society was originally started by a group of workers in the Chiu Ta east section. The purpose of this society was formerly limited to raising funds for funeral and marriage expenses of their friends. But it was later expanded to include all workers of the factory. The necessity for organizing such a society was also felt by members of the administrative staff as they were constantly required to make gifts of money on the occasion of the marriage or death of the workers. As a result of this, Mutual Aid Society of the workers began to admit the administrative staff members from May 1927, but the latter were only making conrtibutions without enjoying the benefit of the society. A sum of 30 cents is charged every member as initiation fee; and the monthly contribution of each "administrative" member is 10 cents and that of the "working" member is 5 cents. The sum thus accumulated is to be disbursed to the workers in the following way :—

(1) $10 for marriage expenses of a worker;

(2) $10 for the funeral expenses of the parent or the wife of a worker;

(3) $30 to the orphan of a worker, or to the worker's parents having on offspring to take care of them.
$15 to the parents of a worker who has brothers to take care of them.

(4) For workers who, on account of disability or serious illness, wish to go home but are short of travelling expenses, the allowance is to be determined according to circumstances.

The affairs of the society are executed by a board of fifteen. They are elected by ballot, two from among the administrative staff members, and 13 from among the workers. Their term of office is two years, but may be renewed. The manager and assistant manager are elected from among the members of the

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board. The duty of the manager is to attend to the accounts of the society and to call meetings and make financial reports. 466 456

An annual meeting is held on April lst, at which all business of the society is discussed. New workers are admitted after having been three months in the employ of the company. Those who fail to pay monthly membership dues forfeit the privilege of membership.

The Consumers' Cooperative Store.—A store selling sundry articles was opened by some private person in the early days of the factory. But as the store was conducted on a business basis, with an eye to profit making, complaints were frequently lodged by the workers against high prices it charged for articles. The store was then closed by the factory, and, in its stead, a cooperative store of the Chiu Ta Salt Refinery and the Pacific Alkali Works was founded in April, 1927. The capital shares were subscribed by the staff members and workmen of these two factories. Each share is two dollars. A staff member is enititled to buy two shares and a workman, one share. In 1927, the capital was about $2,600. Both edibles and sundry articles of daily use are on sale at the store. It is further comtemplated to sell at the store rice and flour at a specially reduced price. There are in this store one manager who serves concurrently as the proctor of the dormitory, three salesmen and two clerks for keeping accounts. There is, besides, a board of five directors, whose function is to determine the general policy of the store, the kinds of goods to be stocked with and the prices. The price of articles is fixed in such a way as to leave a little margin for profits to be distributed in the following way: (1) 10 per cent to be paid as bonus to the store manager (2) 20 per cent to the salesmen and clerks (3) the remaining 70 per cent being distributed *pro rata* to the shareholders. Business at the store varies with the time of the month. According to its salesmen, more business is done during the first half of the month after the worker is paid his wage, but it gradually declines, during the latter half of the month when his wage is gradually spent. That is to say, the purchasing capacity of 466 474